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E.O. 12958: N/A
TAGS: [AORC](#) [KUNR](#) [UNGA](#)
SUBJECT: UN NAMES CMP EXECUTIVE DIRECTOR

REF: A. USUN 00053
[1](#)B. USUN 000126

[1](#)1. (U) On Monday, July 2, 2007, Ban Ki Moon announced Michael Adlerstein as Executive Director of the Capital Master Plan, the \$1.9 billion renovation project of the United Nations New York headquarters complex. The project will extend over the next several years. Adlerstein, a Harvard trained architect, has been the Vice President of the New York Botanical Garden since 2002. He also served as project director for the restoration of Ellis Island and the Statue of Liberty.

[1](#)2. (U) The announcement of Adlerstein as CMP executive director followed a briefing the previous week by UN controller Warren Sach on the status of the CMP to delegates of the UN's Fifth Committee. The selection of Adlerstein marks some needed progress by the UN. However, we are awaiting selection of a construction manager. UN sources say the announcement of a construction manager may come in the next two weeks. Quick action by the UN to name a construction manager is necessary if the UN hopes to make up for delays and projected cost overruns cited in a recently released UN Board of Auditors (BOA) report. The BOA recently projected the CMP project is already \$148 million over budget. The BOA study follows a report by the General Accounting Office that suggests costs for CMP are over budget by \$128 million.

[1](#)3. (U) In addition, we are informed that the UN secretariat will soon ask for an additional 64 new security officer posts to assist with duties during the course of the CMP project in the 2008-2009 biennium budget. The Secretariat argues that the guards are needed for pedestrian access control to the UN, vehicular access control, internal posts and patrols, posts and patrols for the swing space, and a canine unit among other needs. We are awaiting a report that will spell out the details of the proposal.

[1](#)4. (U) Since the start of June, USUN has sent 3 separate letters to the attention of the Undersecretary General for Management asking for a status update on CMP. USUN is still awaiting responses to those letters.

[1](#)5. (U) COMMENT. The appointment of Adlerstein is one of two key announcements the UN is expected to make this month on the CMP. The second key announcement concerns the naming of a construction manager. Adlerstein's expertise in historical renovations, along with his experience in managing complex projects, and knowledge of the New York City construction environment may be helpful in getting CMP on track. Sources report that Skanska US, a subsidiary of the Swedish construction conglomerate Skanska AB will be soon named construction manager. The delay in naming Skanska US as the construction manager is related to allegations that another arm of the Skanska conglomerate had been involved in a bribery scandal on a construction project in Argentina. UN officers informed USUN that a thorough investigation was conducted by the UN Ethics Office on the matter. Based on that investigation we understand that UN officials are comfortable that Skanska US was not involved and that Skanska

AB took appropriate action to resolve the bribery scandal.

16. The conclusions of the GAO report now coupled with the BOA report are sobering. We hope those reports will spur the UN to move more quickly to mitigate or prevent delays and cost overruns. USUN will seek to meet with Mr. Adlerstein as soon as he is in place to press upon him the seriousness of delays and cost overruns and the need for the UN to take corrective actions immediately. In addition, we look forward to the UN sharing with the US and other member states their plan for getting CMP back on track.

KHALILZAD